

# Registering Trademarks in Other Countries Questions and Answers

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## The 2nd Annual Spring Meeting

OF THE BUSINESS LAW SECTION  
AND THE INTELLECTUAL PROPERTY SECTION  
OF THE STATE BAR OF CALIFORNIA  
APRIL 27-29, 2001, HILTON LA JOLLA, TORREY PINES

### I. What are benefits of registering a trademark in other countries?

A. Protection of a company=s business reputation in the markets where its products appear.

1. A trademark identifies and distinguishes one company=s products from the products of others. It is important for the company to be able to prevent the "passing off" of inferior goods by illegal use of its trademark.

2. Trademark infringement is most likely to occur in those countries where a company

1) Manufactures its products

2) Sells them

a. There are some countries which are notorious for allowing the manufacture and export of inferior goods under counterfeit trademarks; e.g., South Korea, Taiwan, Thailand, Burma, Brazil, and other South American nations.

B. Enforceability of trademark rights.

1. In most countries, trademark rights accrue only upon registration, or application therefor.

a. Length of use of an unregistered mark is generally irrelevant.

b. Using a mark in a country where it is not registered often leaves the mark vulnerable, not only to infringers, but also to anyone who registers the mark first, who can then stop the unregistered use.

C. Right to use the registration notice, the 7:

1. Most countries have civil penalties for use of the 7 with a trademark that is not registered in that country; some (e.g., the United Kingdom) also have criminal penalties.

2. While current European Union (EU) law allows use of the 7 with the trademark that is not registered in "a country", it is not clear if "a country" means any other country (such as the U.S.), or only any other in the EU.

### II. When should a trademark be registered in other countries?

A. The basic rule is that a company should begin the registration process as soon as it knows it will be either manufacturing or marketing its goods abroad.

1. Most countries do not require use of a mark prior to registration.

2. Once the mark is registered, however, it must be used within a specific period of time. If the local user of a mark is not the owner of the registration, many countries, especially in South America, require that a license be recorded in the government office which handles trademarks. A few countries in the British Commonwealth still require that "Registered User" documents be recorded.

B. The decision as to what countries in which to file and prosecute trademark registrations is difficult, as the desire for protection must be balanced with the cost involved.

1. Take into account both present international markets (and their sizes) and future ones.
2. Have searches done for similar trademarks in the countries in which there is, or will be a substantial market (see III.A.1, below).
3. Obtain filing quotes (see III.A.2, below).
4. Remember that the costs to prosecute the applications to registration can range from practically nil to thousands of dollars per country, and that the time involved varies from a few months to several years (see III.B., below).
5. Factor in the costs of maintaining and renewing the registrations (see III.C., below).
6. Analyzing the costs and benefits of foreign trademark registrations before filing will result in fewer surprises, better budget control, and an efficient scheme of trademark protection at the lowest cost possible.

C. Convention Priority:

1. Many countries, including the U.S., are signatories to the International (Paris) Convention of 1883 and its several revisions. The Convention provides for (among other things) a right of priority<sup>@</sup> for trademark registration applications among the member countries.
  - a. Once a company has filed an application to register its trademark in any member country (e.g., the U.S.), if it files applications to register its mark in other countries within six months of the first filing date, all of those applications will be deemed to have been filed on that first filing date.
2. Since most other countries recognize commencement of enforceable trademark rights only upon registration or application for registration, the additional seniority available through Convention priority can be very important - even to the point of determining whether or not a company can obtain registration of its mark.

### **III. What are the procedures and costs involved in registering a trademark in other countries?**

A. Before filing:

1. It is wise to have a search service conduct a search for existing marks in the relevant countries that are the same as or very similar to the proposed mark.
2. Obtain a quote for filing costs from a trademark attorney with an international practice.
  - a. These quotes will vary according to what countries are covered, whether or not priority is claimed, and the state of the currency exchange.

b. Generally, these quotes are:

1) estimates; and

2) for filing only; they typically do not include costs to prosecute the applications to registration, nor do they include costs to maintain and renew the registrations.

3. If the trademark owner is domiciled in, or has a corporate parent or subsidiary domiciled in, a country which is a member of the Madrid Union or the Madrid Protocol (the U.S. is not one of them), the owner or its counsel should consider filing a single application, under the rules of the Union or the Protocol, to obtain registrations of the mark in any or all of the member countries.

a. Registration under the rules of either the Madrid Union or the Madrid Protocol affects how trademark rights can be enforced (see IV.B., below).

b. If the mark is to be registered by the foreign parent or subsidiary, a written license agreement should be prepared to clarify and preserve rights. The license may have to be recorded (see II.A.2 above).

4. If the trademark owner is selling or planning to sell goods in any member state of the EU, registering the mark as a Community Trade Mark ("CTM") is generally advisable. A single CTM registration protects the mark in all fifteen (15) member states of the EU.

a. Registration as a CTM affects how trademark rights can be enforced (see IV.B. below).

B. Filing and prosecution:

1. The trademark attorney will have applications to register the mark filed by local counsel in the selected countries.

2. Prosecution in other countries generally involves a very similar process to that in the United States.

a. Official actions must be responded to, at costs varying according to country, number of objections, and difficulty of preparing the response.

b. Publication periods for opposition purposes last between one (1) and three (3) months.

1) If an opposition is filed, settlement should be vigorously sought; otherwise, formal proceedings before the trademark authorities of the country are required.

C. Registration, maintenance, and renewal:

1. Many countries require payment of fees upon registration.

2. A few countries (e.g., Spain) require periodic payment of fees to maintain the registration.

3. All foreign trademark registrations are renewable upon filing of a renewal application and payment of the applicable fee.

4. Fee amounts are subject both to currency fluctuations and changes in local law.

5. The effective date and the length of a registration varies according to the law of the country involved.

#### IV. How are foreign trademark rights enforced?

A. Enforcement of trademark rights in other countries is handled very similarly to enforcement in the U.S. (See "U.S. Trademark Questions and Answers", Section IV.B.) Legal actions are pursued and remedies obtained according to local law.

1. Establishing an international watch service is an important part of enforcing trademark rights in other countries.

B. If the registration exists under the rules of the Madrid Union, the Madrid Protocol, or the Community Trade Mark, you should be aware that their rules may preempt local law in the area of enforcement of rights.

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